

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0485P

**Use Tax
Calendar Years 1994, 1995, 1996**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

In a telephone conversation on Friday, December 18, 1998, the taxpayer protested the penalty assessed on an audit. It was mutually agreed to utilize this date as a hearing a date.

Taxpayer failed to self-assess and remit use tax.

1. **Tax Administration** – Penalty

DISCUSSION

Taxpayer's audit report revealed that no use tax accrual system was in place. The ST103's clearly have an area in which to report purchases where no sales tax was collected. The taxpayer failed to self assess as required by statute.

The taxpayer purchases supplies and materials that are not resold in a taxable retail transaction. 45 IAC 2.2-3-20 clearly states that all purchases of tangible personal property which are stored, used, or consumed in the state of Indiana are subject to the tax.

The taxpayer was negligent in failing to remit the use tax due.

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FINDING

Taxpayer's protest is denied.